



To: William A. Wise
From: Greg G. Jenkins
Date: April 14, 2000
Subject: EPEM Update—Board of Directors Meeting
April 27, 2000 – Newport Beach, CA.

Material Redacted

PROTECTED MATERIALS

Material Redacted

El Paso Capacity – We will make money two ways: 1) increase the load factor, 2) widen the basis spread. In addition, we based our bid on the ability to move to East of the Border markets. If we must go to maximum rates, we will not be able to service Mexico, and our Texas strategy is totally disrupted. If this does not change, we will NOT be able to support the value of the transportation, and this is a lose-lose situation for the Corporation.